

# **Beauty and the virus**

## **Fashion brands, the UNGPs and (imagined) solidarity in pandemic times**

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Many parts of the world are in lockdown due to the Covid-19 pandemic. As most of Europe was hit hard by the virus and its rapid spread, countries [implemented lockdown measures](#), varying in reach, style and enforcement, but with a main commonality to close down facilities deemed non-essential. Consequently, apparel stores had to close their doors and customers have been restricted to online-shopping, resulting in a [vast drop in demand](#).

### **Human rights due diligence and (imagined) solidarity**

Major European fashion brands, the lead firms in garment and textile supply chain networks, have swiftly reacted and have been quick to draft and implement diligent human rights policies. They have taken bold actions accordingly and called for all workers along their supply chain to stay home and be safe, while wages are paid in full. For employees who still have to work, brands along their chains of supply ensure access to health care and medical equipment and – oh, wait a minute.

Sadly, but little surprising, this is not how fashion brands have reacted to the pandemic and the subsequent lockdown, but these are extracts from UNDP's recently published [guideline](#) entitled "Human Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business." This checklist, based on the concept of human rights due diligence as found in Art 15 of the UN Guiding Principles on Business and Human Rights ([UNGPs](#)) points to what one should and can expect from any business operating transnational supply chains – backed by an unanimously adopted [UNHRC resolution](#) almost 10 years ago.

In a time of economic crisis, when lead firms' own profit margins are in decline, the likelihood of shifting focus from maximizing and protecting shareholder returns to a diligently implemented human rights policy – which, for the most part, has not happened in non-pandemic times – decreases dramatically. Let's rewind and look at the state of the art of exploitation in South Asia's garment industry before the pandemic, then have a look at fashion brands' actual response and lastly some remarks on the way forward.

### **Global supply chains and pre-Corona conditions in garment and textile producing countries**

For decades now, outsourced garment and textile production for major European fashion brands has taken center stage in many discussions surrounding human and labor rights violations in global supply chains with little to no changes in the set-up of the global economy. Even after the deadly events of the [Rana Plaza collapse](#) and the fires in the [Ali Enterprises](#) (in Europe often referred to as the [KiK case](#)) and [Tazreen](#) factories – killing more than 1500 workers and leaving many more injured – conditions in Bangladesh and Pakistan have largely stayed the same: [Minimum wages](#) still [too low to live](#), [excessive overtime](#), continuously [unsafe factory buildings](#) (often [despite certification](#)), and labor and trade unions under constant threat of crackdown.

These exploitative conditions in which people must work and survive at the bottom of global supply chains in ([inter alia](#)) the garment and textile sectors of South Asia are not accidental but rather the necessary dark side to fast fashion products and cheap (over)consumption in Europe. Brands or lead firms operating these global supplier networks are profit driven entities. As their main incentive is maximizing shareholder returns, lead firms look for cheap and low-risk locations to have their goods produced. Such location is often found in the Global South and [European East](#). States such as Pakistan and Bangladesh, heavily dependent on but starved of transnational investment have opened their doors to brands in order to further economic activity and maximize their GDP. This set-up, in turn, has led to a race to bottom, where “developing” countries (must) compete for offering brands the best (that is: the cheapest) conditions for their investments to the detriment of workers and other “stakeholders”.

Mark Anner [explains](#) the negative consequences for garment workers that flow from the structural set-up of the global economy and the corporate logic of maximizing profit by a double squeeze: Under conditions of supply chain oligopsony (lead firm power concentration), brands have the ability to “squeeze” supplier firms on how, where and when they source their fabric and at what cost. The already “squeezed” supplier, also a profit-driven entity, has therefore not only limited capacity to implement labor and human rights standards but also little incentive to do so: The objective of suppliers, too, is maximizing profit, not benefitting other “stakeholders” such as their own workers.

### **Lessons from global capitalism in crisis: Profit matters, not humans**

Given the exploitative nature of global garment and textile supply chains and the structural set-up of the global economy to the benefit of lead firms, their instant reaction to the current crisis is all the more abhorrent, yet unsurprising: Without blinking twice, orders for goods already produced or in the production process were canceled and payments frozen, leaving both suppliers and workers in turmoil. According to a swiftly conducted [survey](#) and analysis in Bangladesh, the majority of suppliers abruptly lost in-process contracts without compensation. An astounding 97.3% of buyers refused to contribute to severance pay expenses of dismissed workers. 72.4 % of suppliers were unable to provide their workers with income when furloughed (sent home temporarily), and 80.4 % said they were unable to provide severance pay when order cancellations resulted in worker dismissal.

Civil society organizations have reacted quickly to point to the connection of the global organization of the economy and its negative consequences for workers, resulting not from the virus itself but from the way business (rather naturally) responds to the immediate and vast drop in demand for their products. In a recent policy paper by the European Center for Constitutional and Human Rights ([ECCHR](#)), the UNGPs are invoked in a more illuminating fashion (pun unintended) than by the guidelines of the UNDP. Rather than to suggest a checklist business will most certainly ignore, the UNGPs are used to clarify what brands should have done since their adoption in 2011, what they did not do and how this (in)action of business to fulfill their responsibility to respect contributed to the crisis unfolding: Had brands fulfilled their duty under the UNPGs to respect the provisions of the [UNCESCR](#) and

done their human rights due diligence accordingly, the pre-pandemic conditions in global garment supply chains and thus the starting point for the response to both, the pandemic and the subsequent shutdown, would look drastically different. For instance, had brands respected Art. 11 UNESCR and paid wages that ensure an adequate standard of living and had they respected Art. 9 UNESCR and paid into local social security systems, workers, in times of crisis, would have savings to rely on and public social security funds could be distributed.

But brands have not contributed to social systems of the states they source from – rather they source from these states precisely because they are not obliged to pay their fair share for the public good and workers' wages in producing countries, the very reason why production cost is low and why these locations are chosen. While workers in South Asia before the pandemic have been living in abject poverty with minimum wages not even close to [covering living expenses](#), the unfolding humanitarian catastrophe in countries such as Pakistan and Bangladesh is a textbook example for how global supply chains are operated – in spite of the UNGP's framework.

### **What now?**

While the UNGPs represent a useful yardstick of what lead firms should have done and a tool for imagination for what they should do now, their non-enforceable, rights-based character has, once again, proven unhelpful for garment workers at the bottom of supply chains. For now, we must therefore pay close attention to the "[looming question](#)" as to "whether brands, factories, and governments that depend on these workers' labor will abandon them or instead provide a safety net that mitigates the economic devastation for them and their families."

As the course of action prescribed by the UNGPs has not been met before or during the pandemic, what will be the take-away? Will the global spread of Covid-19 and the economic crisis resulting from it, finally be our wake-up call? We must work to eradicate the [root causes](#) that produce the innumerable rights violations in the name of profit in the fashion industry and beyond. And as long as profit-maximizing and cost reduction for a small group of shareholders remains at the heart of corporate entities at all levels of the chain, chances are slim to non-existent that conditions for workers or other "stakeholders" will improve. Instead of cosmetic tick-the-box-compliance mechanisms, structural changes are needed in the global economy as well as in the [corporate model](#), so both work for all and not just for a fraction of the world's population.

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